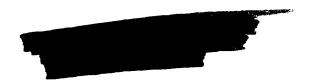


Mr. Richard Smith Federal Trade Commission Bureau of Competition Premerger Notification Office Washington, D.C. 20580

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Dear Mr. Smith:

This letter is to confirm the substance of my recent conversation with Mr. Thomas Hancock of your office. On Friday, August 11, I spoke with Mr. Hancock. Specifically, I requested guidance in determining whether or not certain license agreements (the "Agreements") to be entered into by our client ("Licensor") would constitute "assets" for purposes of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "Act"). I explained that Licensor would enter into the Agreements with various parties, and that the terms of the Agreements granted each such party geographically exclusive sales and marketing rights as to all parties except the Licensor. Mr. Hancock confirmed that the Licensor would retain its rights to market and sell the licensed product in the otherwise exclusive geographic areas. He then explained that the Federal Trade Commission deems a license agreement to be "exclusive," and therefore potentially subject to the Act, only if the licensor surrenders all of its rights regarding a licensed product pursuant to the terms of the license agreement. Unless the Licensor surrenders all of its rights with respect to the licensed product, the execution of the Agreements has a positive effect on competition by permitting two companies to sell the product rather than just the Licensor. Therefore, because the Licensor will retain its right to sell and market the product licensed under the Agreements, they are not assets which are potentially governed by the Act.



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When I asked Mr. Hancock if I could confirm this conversation pursuant to a letter, he replied affirmatively but stated he was leaving the next day on a two week vacation. He then stated that he would discuss the conversation with you and notify you of this letter. If Mr. Hancock's statements concerning the Federal Trade Commission's views on exclusive license agreements discussed herein is not correct, please inform me of such fact as soon as possible.

Thank you for your assistance with this matter.

ARD: aeb) 8/25/95 - Writer advises that lecence is the great of a marketing and sales night. Advised that PHN Office of the transfer of an aret. Also, lecence retains right to distribute such malife nationally, while well permit it to distribute product in the license's distribution area (Advised that this position was that I the PHN Office and not the FTC.) Based on these lasts, no reportable license in being granted.

